

ARIZONA STATE BOARD OF ACCOUNTANCY

OPEN SESSION MINUTES

December 10, 2007

Members of the Arizona State Board of Accountancy held a meeting at 8:20 a.m. on Monday, December 10, 2007 at the Accountancy Board Office in Suite 165, 100 N. 15th Avenue, Phoenix, Arizona. An Executive Session was held from 8:46 a.m. to 10:30 a.m.

BOARD MEMBERS:

Marianne E. DeVries, CPA	President
*☉ Patrick J. Ramirez.....	Treasurer
James E. May.....	Secretary
☉ Debbi Fitzgerald, CPA	Member
Gary W. Fleming, CPA	Member
Samuel L. Fogleman, CPA	Member
Earl R. Shivers, CPA	Member

*☉ Arrived at 8:37 a.m.

☉ Arrived at 9:35 a.m.

OTHERS PRESENT:

Valerie M. Elliott	Executive Director
Jim Dubé	Deputy Director
Seth T. Hargraves, Esq.	Assistant Attorney General
Daniel R. Christl, Esq.	Assistant Attorney General
Ryan P. Edmonson.....	Programs & Projects Specialist II
Yolanda M. Barajas	Administrative Assistant III
Elena N. Frausto.....	Administrative Assistant III

GUESTS PARTICIPATING:

Adela Jimenez, CPA.....	ASCPA, Director of Finance and Administration
Jennie Barraza	Office of the Attorney General, Staff

The meeting was called to order at 8:20 a.m. by Marianne E. DeVries, President. The following order of business was then considered:

OPEN SESSION

CALL TO THE PUBLIC

No one wished to address the Board.

MINUTES

November 13, 2007 Board Meeting

A motion was made by Samuel L. Fogleman, seconded by Earl R. Shivers and passed to approve the Open Session Minutes from the November 13, 2007 Board meeting, as amended.

A motion was made by Samuel L. Fogleman, seconded by Earl R. Shivers and passed to approve the Executive Session Minutes from the November 13, 2007 Board meeting.

DECLARATION OF CONFLICTS OF INTEREST

Gary W. Fleming, CPA declared a conflict on Kim M. Gartner of the consent agenda. Samuel L. Fogleman, CPA declared conflicts on David A. Hori and Gary B. Baker of the agenda and on Lakshmi M. Madhavpeddi of the consent agenda.

EXECUTIVE DIRECTOR'S REPORT

Valerie M. Elliott, Executive Director, gave an update to the Board on the budget, performance measurements and agency operations.

PRESIDENT'S REPORT

Valerie M. Elliott, Executive Director, read NASBA's response to the Board's letter.

Marianne E. DeVries, President discussed her invitation from Arizona Society of Certified Public Accountants (ASCPA) to speak about "What's the State Board of Accountancy up to Now?", and asked for any Board members to offer input regarding her topics of discussion.

EXECUTIVE SESSION

A motion was made by Gary W. Fleming, seconded by Earl R. Shivers and passed to go into Executive Session at 8:46 a.m. to seek legal advice and review confidential material pursuant to A.R.S. § 38-431.03(A)(2)(3) and (4).

After consideration in Executive Session, the Board reconvened in Open Session at 10:30 a.m.

COMMITTEE RECOMMENDATIONS – COMPLAINT/INITIAL ANALYSIS FILES

File No. 2007.097

A motion was made by James E. May, seconded by Patrick J. Ramirez and passed to accept the Accounting and Auditing Standards Committee's recommendation to close the complaint file, no violations of professional standards.

COMMITTEE RECOMMENDATIONS – INVESTIGATION FILES

File Nos. 2007.075 & 2007.110

A motion was made by James E. May, seconded by Patrick J. Ramirez and passed to accept the Accounting and Auditing Standards Practice Committee's recommendation to offer a Decision and Order (by Consent), as amended in executive session.

File No. 2007.084

A motion was made by James E. May, seconded by Gary W. Fleming and passed to accept the Tax Practice Committee's recommendation to issue an Administrative Letter of Concern, as amended in executive session.

File No. 2007.107

A motion was made by James E. May, seconded by Samuel L. Fogleman and passed to accept the Accounting and Auditing Standards Practice Committee's recommendation to offer a Decision and Order (by Consent), as amended in executive session.

File No. 2007.117

A motion was made by James E. May, seconded by Earl R. Shivers and passed to accept the Tax Practice Committee's recommendation to offer a Decision and Order (by Consent), as amended in executive session.

File No. 2007.118

A motion was made by James E. May, seconded by Gary W. Fleming and passed to accept the Tax Practice Committee's recommendation to offer a Decision and Order (by Consent), as amended in executive session.

COMMITTEE RECOMMENDATIONS - PEER REVIEW

File No. 2008.002

A motion was made by James E. May, seconded by Earl R. Shivers and passed to direct staff to send a letter and a copy of the Peer Review Oversight Advisory Committee's recommendations to the registrant.

File No. 2008.017

A motion was made by James E. May, seconded by Earl R. Shivers and passed to accept the Peer Review Oversight Advisory Committee's recommendation to issue an Administrative Letter of Concern, as amended in executive session.

File No. 2008.030

A motion was made by James E. May, seconded by Earl R. Shivers and passed to accept the Peer Review Oversight Advisory Committee's recommendation to issue an Administrative Letter of Concern, as amended in executive session.

RESPONSE TO OFFERED DECISION & ORDER (BY CONSENT)

File No. 2008.003

A motion was made by James E. May, seconded by Earl R. Shivers and passed to accept the Peer Review Oversight Advisory Committee's recommendation to offer a Decision and Order (by Consent), as amended in executive session.

NOTICES OF UNLAWFUL USE OF THE CPA DESIGNATION

File No. 2008.029

A motion was made by James E. May, seconded by Patrick J. Ramirez and passed to direct staff to send a letter to the respondent to request an original business card from the respondent.

ITEMS FOR BOARD REVIEW, DISCUSSION AND LEGAL ACTION

Board to Review Compliance or Non-Compliance with Decision & Orders (By Consent)

File Nos. 2006.103 & 2005.064; Eddows, Denise

A motion was made by Earl R. Shivers, seconded by Debbi Fitzgerald passed to file a Complaint and Notice of Hearing for revocation of the registrant's certificate and firm's registration.

Marianne E. DeVries declared a conflict and did not vote.

Response / Non-response to Offered Decision and Order (By Consent)

File No. 2008.018; Chronister, Mitchell

Valerie M. Elliott, Executive Director reviewed the file with the Board. A motion was made by Samuel L. Fogleman, seconded by Debbi Fitzgerald and passed to accept the signed Decision and Order (by Consent) and vacate the hearing.

Termination of Decision & Orders (By Consent)

File No. 2007.036; Dembowski, Lawrence, CPA

File No. 2007.045; Crawford & Mancini, P.C.

File No. 2007.056; Maxwell, Acct'ing & Executive Services LLC

File No. 2007.067; Ranstrom, Neal, CPA

File No. 2007.091; Jurgens, William, CPA

A motion was made by Samuel L. Fogleman, seconded by Earl R. Shivers and passed to terminate the Consent Orders and close the files.

Issues from and regarding the National Association of State Boards of Accountancy (NASBA)

Valerie M. Elliott, Executive Director, reviewed and discussed the following NASBA issues with the Board:

- i. Diagnostic report for CPA Examination Candidates
- ii. NASBA quarterly communications
The Board discussed reviewing this item at the March 17, 2008 Board meeting with David Costello NASBA, President.
- iii. SEC response letter
The Board discussed reviewing this item at the March 17, 2008 Board meeting with David Costello NASBA, President.
- iv. Education Committee letter and UAA rules
Samuel L. Fogleman volunteered to review and provide a response for the January 7, 2008 Board meeting.

Issues from and regarding the American Institute of Certified Public Accountants (AICPA)

- i. Improving the Uniform CPA Examination
The Board discussed forwarding the request to the Certification Committee to review and request an extension from AICPA until after the February 11, 2008 Board meeting.

Application for Certification by Examination, Deferral/Denial by Certification Committee - A.R.S. § 32-721

Liz Shlapack

Gary W. Fleming reviewed the file. A motion was made by Gary W. Fleming seconded by Samuel L. Fogleman and passed to deny the registrant's request for application for certification by examination because she did not meet the education requirements.

Gary B. Baker

Patrick J. Ramirez reviewed the file. A motion was made by Patrick J. Ramirez, seconded by James E. May and passed to deny the registrant's request for application for certification by examination because he is short three hours of accounting, and to appoint Valerie M. Elliott, Executive Director or Jim Dubé, Deputy Director as a designated representative of the Board to conduct a informal settlement conference, if requested, with limited authority to settle.

Samuel L. Fogleman declared a conflict and did not vote.

Liz Shlapack

A motion was made by Gary W. Fleming seconded by Samuel L. Fogleman and passed to appoint Valerie M. Elliott, Executive Director or Jim Dubé, Deputy Director as a designated representative of the Board to conduct a informal settlement conference, if requested, with limited authority to settle.

Application for Certification by Reciprocity Based on Substantial Equivalency, Deferral by Certification Committee - A.R.S. § 32-726

James M. Campagne – Michigan

James E. May reviewed the file. A motion was made by James E. May, seconded by Debbi Fitzgerald and passed to approve his application for certification by reciprocity.

David A. Hori – California

Earl R. Shivers reviewed the file. A motion was made by Earl R. Shivers, seconded by James E. May and passed to deny the registrant's request for application for certification by reciprocity because he did not meet the education requirements and SEC discipline; and to appoint Valerie M. Elliott, Executive Director or Jim Dubé, Deputy Director as a designated representative of the Board to conduct a informal settlement conference, if requested, with limited authority to settle.

Samuel L. Fogleman declared a conflict and did not vote.

Request for NTS Extension on Uniform CPA Exam

Donnie L. Meyers

A motion was made by Samuel L. Fogleman, seconded by Debbi Fitzgerald and passed to grant him a 90 day extension.

Gina Foroughi

A motion was made by Debbi Fitzgerald, seconded by James E. May and passed to deny her request for an extension.

Request for a CPE Waiver and/or Fee Waiver – A.R.S. § 32-730(C) & (D)

Nejla Ann Franco 7432-E

Joseph R. Quinn 8345-E

A motion was made by Samuel L. Fogleman, seconded by Debbi Fitzgerald and passed to grant their requests for CPE and Fee Waivers.

Request for Inactive Status – A.R.S. § 32-730

David Price Allen 2436-E

A motion was made by Samuel L. Fogleman, seconded by Gary W. Fleming and passed to grant his request for inactive status.

Application for Reinstatement – A.R.S. § 32-748:

Adam Hoyt 11447-E

James S. Serbin 3429-R

A motion was made by Samuel L. Fogleman, seconded by James E. May and passed to approve their applications for reinstatement.

Firm Name-Change Compliance R4-1-455.03(D)(2)

Abbott Company Ltd 31-C

Kevin Abbott 2265-E

A motion was made by Samuel L. Fogleman, seconded by Patrick J. Ramirez and passed to direct staff to send a letter to the firm to provide proof of filing a corrected

firm name with the Arizona Corporation Commission to the Board and to comply within 30 days and if not to file a Complaint and Notice of Hearing for revocation.

CONSENT AGENDA

(The Board may pull any of the following items off the consent agenda to take individual action.) Board discussion and legal action on the following items:

Due to conflicts, Gary W. Fleming requested Kim M. Gartner be pulled from the consent agenda and voted on separately.

Due to a conflict, Samuel L. Fogleman requested Lakshmi M. Madhavpeddi be pulled from the consent agenda, and voted on separately.

A motion was made by Samuel L. Fogleman, and seconded by James E. May and passed to accept the following consent agenda:

- a. Recommended for Registration of Professional Corporation for the following Applicants - (Meets the requirements of A.R.S. § 32-734):
Anne Cornelius CPA PC Thomas G. Rooney CPA PC
Partner: Anne Cornelius 7578-E Partner: Thomas G. Rooney 9770-R
- b. Recommended for Registration of LLC/PLLC/LLP's for the following Applicants
(Meet the requirements of A.R.S. § 32-735):
Schutte & Hilgendorf, PLLC Finesse Financial PLLC
Certified Public Accountants Partner: Donna Phaneuf 10553-E
Partners: Gidget Slater Schutte 12634-R
Lois Hilgendorf 8917-E

Southwest CPA Service LLP Research & Practice Management PLLC
Partner: Thomas G. Rooney 9770-R Partner: Thomas G. Rooney 9770-R
- c. Recommended for Firm Name Change:
Chaffee Traasdahl Company Rader & Lambson PLLC
Chaffee Traasdahl & Company 2477-C Lambson & Rader PC 545-C
Partners: David L. Chaffee 3401-E Partners: Douglas A. Rader 3512-E
Scott K. Traasdahl 8657-E Preston R. Lambson 1682-E

Custom Accounting & Tax PC
Custom Bookkeeping & Personal Services PC 2307-C
Partner: Lisa G. Johnston 12261-E
- d. Request for Firm Cancellation – Do not wish to renew:
Delmo L Risley PC 2015-C LLM Financial Services PC 1201-C
RGL Forensic Accountants George H Kimbler CPA PC 1135-C
& Consultants PC 1150-C

- e. Recommended for Cancellation of Certificate per registrant's request not to renew:
Thomas P. Cullison 8413-E Daniel D. Hattendorf 9318-E
Leroy Leonard Midtun 1161-E
- f. Recommended for Reissuance of Certificate because of Name Change:
Lisa M. Crockett (Crockett Richmond) 13878-R
- g. Recommended for Reactivation of Certificate from Inactive Status - A.R.S. §32-730(E):
Carol J. O'Rafferty 5138-E Hector J. Salvatierra 1143-R
- h. Recommendation of the Certification Committee for approval of Certification by Examination - A.R.S. §32-721:

Bonnie Jean Allison	Heather Marie Argenio
Jian Zhou	Justin DeTemple
Rebecca Jillian Gonzales	Nolan Benjamin Haskovec
Xianghua Huang	Gergana A. Kovatcheva
Bailey Kramer	David Leckey
John N. Martin	Kara Moe
Carrie Lynn Pinnella	Chantal L. Regan
Jeffrey E. Risenmay	Mandy M. Rohde
Vandana Tanna	William Skurdahl
Jennifer J. Snell	Peter A. Sorensen
- i. Recommendation of the Certification Committee for approval of Certification by Reciprocity - A.R.S. § 32-724:

Jill R. Baker – Minnesota	Carla Michelle Freeman – California
Amy M. Funicello – Colorado	James M. Westfall Jr. – California
Kristena L. Malmgren – Colorado	Keith Brain Marcelo - California
- j. Recommendation of the Certification Committee for approval of Certification by Reciprocity based on Substantial Equivalency - A.R.S. § 32-726(B):

Jon M. Aussenberg – Pennsylvania	Richard B. Wimmer – Virginia
Patricia M. Davis – Missouri	Steven H. Hayes – Ohio
Ann Hoover – Indiana	Stephan King – Oregon
Brian M. Kunitzer – California	Jenny Lynn Lorensen – Nebraska
David P. Phillips – Nebraska	Catherine Pinder – Georgia
Rita S. Serna – Illinois	Philip Steers IV – Texas
Ketie St. Louis - North Carolina	

- k. Recommendation of the Certification Committee for approval of Certification by
Grade Transfer - A.R.S. § 32-721:
Joel Skrzypchak – Illinois
- l. Recommendation of the Certification Committee for approval of Examination
Candidates for the Uniform CPA Exam - A.R.S. § 32-723:
- | | |
|--------------------------|------------------------------|
| Robert Wade Bailey | Eduard R. Cervantes |
| Benjamin Robson Decker | Timothy Charles Dendy |
| Prasad K. Dhulipalla | Jacqueline Ann Fischl |
| Anne Elizabeth Haas | Jeff Scott Hair |
| Conrad John Hanson | Michelle Leann Harvey |
| Ron Paul Huber | Dmitriy Illyinsky |
| Joshua Tyler Jumper | Arvinder Kaur |
| Monika Kotowski | James Sean McGettigan |
| Preston Jarom Mann | Jennifer Marie Millar |
| Aimee Anne Meyer | Chris Arnaud Ndungutse |
| Erin K. Million | Christopher Guy O'Connor |
| Jennifer Marie Nordstrom | Eugene Park |
| Shaina M. Oleson | Jorge Esteban Powell De Lara |
| Michael James Perkes | Shehzana Sharif |
| Joshua James Reed | Yanhong Wang |
| Antonio Jesus Sotelo | Shelby Jean Williams |
| Kyle Robert Wilkinson | Scott Nielsen Youngberg |
| Zhengrong Chen Wong | Joseph David Lipsitz |
| Betsy Goldberg Zangara | |
- m. Recommendation of the Peer Review Oversight Advisory Committee for approval of
the following firms in compliance with A.A.C. R4-1-454:
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| Allis, John III, CPA, PC 6-C | Baker, Leonard F., CPA, PC 777-C |
| Cawood, Sharman E., CPA 4039-S | Epstein Weber & Conover, PLC 2427-L |
| Holter, Thomas E., PC 448-C | Johnson & Moser 596-C |
| Morrison & Associates, CPA's,
PLLC, 1113-C | Mansperger, Patterson & McMullin, PLC
431-P |
| Mccartney, Jeffrey J., CPA 4220-S | Kramer, G. L. CPA, PC 786-C |
| Patten, M.C., CPA, PC 760-C | Raymond, C & J, CPAS, LLP 1130-B |

CONSENT AGENDA

A motion was made by Samuel L. Fogleman, seconded by James E. May and passed to approve the following consent agenda item:

16-f. Recommended for Reissuance of Certificate because of Name Change:

Kim M. Gartner (Reitz) 14481-E

Gary W. Fleming declared a conflict and did not vote.

A motion was made by James E. May, seconded by Patrick J. Ramirez and passed to approve the following consent agenda item:

16-l. Recommendation of the Certification Committee for approval of Examination Candidates for the Uniform CPA Exam - A.R.S. § 32-723:

Lakshmi M. Madhavpeddi

Samuel L. Fogleman declared a conflict and did not vote.

SUMMARY OF CURRENT EVENTS

Valerie M. Elliott, Executive Director gave an update on mobility.

DISCUSSION OF ITEMS TO BE PLACED ON FUTURE MEETING AGENDA

The Board discussed adding the Executive Director's performance review on the Board's next meeting agenda.

ADJOURNMENT

A motion was made by Samuel L. Fogleman, seconded by Patrick J. Ramirez and passed to adjourn at 11:29 p.m.

Marianne E. DeVries, CPA, President

Patrick J. Ramirez, Member, Treasurer

James E. May, Member, Secretary

Debbi Fitzgerald, CPA Member

Gary W. Fleming, CPA Member

Samuel L. Fogleman, CPA, Member

Earl R. Shivers, CPA, Member